

Adopted	Rejected
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COMMITTEE REPORT

YES:	24
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 17, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 2, line 8, delete "interest may not be charged on a" and insert
- 2 **"the interest charged on the loan may not exceed the percent of**
- 3 **increase in the United States Department of Labor Consumer Price**
- 4 **Index during the twelve (12) months preceding the date that the**
- 5 **unit applies for a loan under this chapter."**
- 6 Page 2, line 9, delete "loan, and a" and insert "A".
- 7 Page 2, line 13, after "installments." insert **"However, not more**
- 8 **than one-third (1/3) of the total amount to be loaned under this**
- 9 **chapter may be disbursed at any particular time without the**
- 10 **review of the budget committee and the approval of the budget**
- 11 **agency."**
- 12 Page 2, between lines 33 and 34, begin a new paragraph and insert:
- 13 **"(f) Interest accrues on a loan made under this chapter until the**

1 date the board receives notice from the county auditor that the
2 county has adopted at least one (1) of the following:

3 (1) The county adjusted gross income tax under IC 6-3.5-1.1.

4 (2) The county option income tax under IC 6-3.5-6.

5 (3) The county economic development income tax under
6 IC 6-3.5-7.

7 Notwithstanding subsection (a), interest may not be charged on a
8 loan made under this chapter if a tax described in this subsection
9 is adopted before a qualified taxing unit applies for the loan."

10 Page 2, line 34, delete "(a)".

11 Page 2, line 41, delete "1.031" and insert "one and thirty-one
12 thousandths (1.031)".

13 Page 2, line 42, delete "2." and insert "two (2).".

14 Page 3, between lines 2 and 3, begin a new line blocked left and
15 insert:

16 "However, in the case of a qualified taxing unit that is a school
17 corporation, the amount determined under STEP FOUR shall be
18 reduced by the board to the extent that the school corporation
19 receives relief in the form of adjustments to the school
20 corporation's assessed valuation under IC 21-3-1.6-1.1 or
21 IC 6-1.1-17-0.5".

22 Page 4, between lines 4 and 5, begin a new paragraph and insert:

23 "SECTION 2. IC 6-3.5-1.1-2, AS AMENDED BY P.L.135-2001,
24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 UPON PASSAGE]: Sec. 2. (a) The county council of any county in
26 which the county option income tax will not be in effect on July 1 of a
27 year under an ordinance adopted during a previous calendar year may
28 impose the county adjusted gross income tax on the adjusted gross
29 income of county taxpayers of its county effective July 1 of that year.

30 (b) Except as provided in section 2.5, 2.7, or 3.5 of this chapter, the
31 county adjusted gross income tax may be imposed at a rate of one-half
32 of one percent (0.5%), three-fourths of one percent (0.75%), or one
33 percent (1%) on the adjusted gross income of resident county taxpayers
34 of the county. Any county imposing the county adjusted gross income
35 tax must impose the tax on the nonresident county taxpayers at a rate
36 of one-fourth of one percent (0.25%) on their adjusted gross income.
37 If the county council elects to decrease the county adjusted gross
38 income tax, the county council may decrease the county adjusted gross

1 income tax rate in increments of one-tenth of one percent (0.1%).

2 (c) To impose the county adjusted gross income tax, the county
3 council must, after January 1 but before April 1 of a year, adopt an
4 ordinance. **Except as provided in subsection (g),** the ordinance must
5 substantially state the following:

6 "The _____ County Council imposes the county adjusted
7 gross income tax on the county taxpayers of _____ County.
8 The county adjusted gross income tax is imposed at a rate of
9 _____ percent (____%) on the resident county taxpayers of the
10 county and one-fourth of one percent (0.25%) on the nonresident
11 county taxpayers of the county. This tax takes effect July 1 of this
12 year."

13 (d) **Except as provided in subsection (g),** any ordinance adopted
14 under this section takes effect July 1 of the year the ordinance is
15 adopted.

16 (e) The auditor of a county shall record all votes taken on
17 ordinances presented for a vote under the authority of this section and
18 immediately send a certified copy of the results to the department by
19 certified mail.

20 (f) If the county adjusted gross income tax had previously been
21 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
22 1983) and that tax was in effect at the time of the enactment of this
23 chapter, then the county adjusted gross income tax continues in that
24 county at the rates in effect at the time of enactment until the rates are
25 modified or the tax is rescinded in the manner prescribed by this
26 chapter. If a county's adjusted gross income tax is continued under this
27 subsection, then the tax shall be treated as if it had been imposed under
28 this chapter and is subject to rescission or reduction as authorized in
29 this chapter.

30 (g) **This subsection applies to a county having a population of**
31 **more than one hundred forty-five thousand (145,000) but less than**
32 **one hundred forty-eight thousand (148,000). The county council**
33 **may adopt an ordinance imposing the county adjusted gross**
34 **income tax that takes effect May 1 of the year the ordinance is**
35 **adopted. The ordinance must state substantially the following:**

36 "The _____ County Council imposes the county adjusted
37 gross income tax on the county taxpayers of _____ County.
38 The county adjusted gross income tax is imposed at a rate of

_____ percent (____%) on the resident county taxpayers of the county and one-fourth of one percent (0.25%) on the nonresident county taxpayers of the county. This tax takes effect May 1 of this year."

SECTION 3. IC 6-3.5-1.1-10, AS AMENDED BY P.L.135-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) **Except as provided in subsection (b),** one-half (1/2) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on May 1 and the other one-half (1/2) on November 1 of that calendar year.

(b) This subsection applies to a county that adopts an ordinance under section 2(g) of this chapter. In the calendar year in which the ordinance adopted under section 2(g) of this chapter takes effect, the county's certified distribution for the calendar year shall be distributed from its account established under section 8 of this chapter to the county treasurer as follows:

(1) One-fourth (1/4) on August 1.

(2) One-fourth (1/4) on November 1.

Distributions for the calendar year following the calendar year in which the ordinance adopted under section 2(g) of this chapter takes effect shall be made as provided in subsection (a).

~~(b)~~ (c) Except for:

(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) revenue that must be used to pay the costs of construction, improvement, or renovation of a jail under section 2.7 of this chapter; or

(3) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter;

distributions made to a county treasurer under ~~subsection~~ **subsections (a) and (b)** shall be treated as though they were property taxes that were due and payable during that same calendar year. The certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

~~(c)~~ **(d)** All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the

1 state to the treasurer of the state ordering the appropriate payments.

2 SECTION 4. IC 6-3.5-6-8 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) **Except as**
 4 **provided in subsection (g)**, the county income tax council of any
 5 county in which the county adjusted gross income tax will not be in
 6 effect on July 1 of a year under an ordinance adopted during a previous
 7 calendar year may impose the county option income tax on the adjusted
 8 gross income of county taxpayers of its county effective July 1 of that
 9 same year.

10 (b) The county option income tax may initially be imposed at a rate
 11 of two-tenths of one percent (0.2%) on the resident county taxpayers of
 12 the county and at a rate of five hundredths of one percent (0.05%) for
 13 all other county taxpayers.

14 (c) To impose the county option income tax, a county income tax
 15 council must, after January 1 but before April 1 of the year, pass an
 16 ordinance. **Except as provided in subsection (g)**, the ordinance must
 17 substantially state the following:

18 "The _____ County Income Tax Council imposes the
 19 county option income tax on the county taxpayers of
 20 _____ County. The county option income tax is
 21 imposed at a rate of two-tenths of one percent (0.2%) on the
 22 resident county taxpayers of the county and at a rate of five
 23 hundredths of one percent (0.05%) on all other county taxpayers.
 24 This tax takes effect July 1 of this year."

25 (d) If the county option income tax is imposed on the county
 26 taxpayers of a county, then the county option income tax rate that is in
 27 effect for resident county taxpayers of that county increases by
 28 one-tenth of one percent (0.1%) on each succeeding July 1 until the
 29 rate equals six-tenths of one percent (0.6%).

30 (e) The county option income tax rate in effect for the county
 31 taxpayers of a county who are not resident county taxpayers of that
 32 county is at all times one-fourth (1/4) of the tax rate imposed upon
 33 resident county taxpayers.

34 (f) The auditor of a county shall record all votes taken on ordinances
 35 presented for a vote under this section and immediately send a certified
 36 copy of the results to the department by certified mail.

37 **(g) This subsection applies to a county having a population of**
 38 **more than one hundred forty-five thousand (145,000) but less than**

one hundred forty-eight thousand (148,000). The county income tax council may adopt an ordinance imposing the county option income tax that takes effect May 1 of the year the ordinance is adopted. The ordinance must state substantially the following:

"The _____ County Income Tax Council imposes the county option income tax on the county taxpayers of _____ County. The county option income tax is imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five hundredths of one percent (0.05%) on all other county taxpayers. This tax takes effect May 1 of this year."

SECTION 5. IC 6-3.5-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) If during a particular calendar year the county council of a county adopts an ordinance to impose the county adjusted gross income tax in its county on July 1 of that year and the county option income tax council of the county adopts an ordinance to impose the county option income tax in the county on July 1 of that year, the county option income tax takes effect in that county and the county adjusted gross income tax shall not take effect in that county.

(b) If, during a particular calendar year, the county council of a county described in section 8(g) of this chapter adopts an ordinance to impose the county adjusted gross income tax in that county on May 1 of that year and the county option income tax council of the county adopts an ordinance to impose the county option income tax in the county on May 1 of that year, the county option income tax takes effect in that county and the county adjusted gross income tax shall not take effect in that county.

SECTION 6. IC 6-3.5-7-5, AS AMENDED BY P.L.135-2001, SECTION 6, AS AMENDED BY P.L.185-2001, SECTION 3, AND AS AMENDED BY P.L.291-2001, SECTION 179, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year

1 the county economic development income tax is imposed;

2 (2) the county council if the county adjusted gross income tax is
3 in effect on January 1 of the year the county economic
4 development tax is imposed; or

5 (3) the county income tax council or the county council,
6 whichever acts first, for a county not covered by subdivision (1)
7 or (2).

8 To impose the county economic development income tax, a county
9 income tax council shall use the procedures set forth in IC 6-3.5-6
10 concerning the imposition of the county option income tax.

11 (b) Except as provided in subsections (c), ~~and~~ (g), ~~(j)~~, and (k), the
12 county economic development income tax may be imposed at a rate of:

- 13 (1) one-tenth percent (0.1%);
- 14 (2) two-tenths percent (0.2%);
- 15 (3) twenty-five hundredths percent (0.25%);
- 16 (4) three-tenths percent (0.3%);
- 17 (5) thirty-five hundredths percent (0.35%);
- 18 (6) four-tenths percent (0.4%);
- 19 (7) forty-five hundredths percent (0.45%); or
- 20 (8) five-tenths percent (0.5%);

21 on the adjusted gross income of county taxpayers.

22 (c) Except as provided in subsection (h), (i), ~~or~~ (j), or (k), the county
23 economic development income tax rate plus the county adjusted gross
24 income tax rate, if any, that are in effect on January 1 of a year may not
25 exceed one and twenty-five hundredths percent (1.25%). Except as
26 provided in subsection (g), the county economic development tax rate
27 plus the county option income tax rate, if any, that are in effect on
28 January 1 of a year may not exceed one percent (1%).

29 (d) To impose the county economic development income tax, the
30 appropriate body must, after January 1 but before April 1 of a year,
31 adopt an ordinance. **Except as provided in subsection (l),** the
32 ordinance must substantially state the following:

33 "The _____ County _____ imposes the county economic
34 development income tax on the county taxpayers of _____
35 County. The county economic development income tax is imposed at
36 a rate of _____ percent (____%) on the county taxpayers of the
37 county. This tax takes effect July 1 of this year."

38 (e) **Except as provided in subsection (l),** any ordinance adopted

1 under this section takes effect July 1 of the year the ordinance is
2 adopted.

3 (f) The auditor of a county shall record all votes taken on ordinances
4 presented for a vote under the authority of this section and immediately
5 send a certified copy of the results to the department by certified mail.

6 (g) This subsection applies to a county having a population of more
7 than one hundred twenty-nine thousand (129,000) but less than one
8 hundred thirty thousand six hundred (130,600). In addition to the rates
9 permitted by subsection (b), the:

10 (1) county economic development income tax may be imposed at
11 a rate of:

12 (A) fifteen-hundredths percent (0.15%);

13 (B) two-tenths percent (0.2%); or

14 (C) twenty-five hundredths percent (0.25%); and

15 (2) county economic development income tax rate plus the county
16 option income tax rate that are in effect on January 1 of a year
17 may equal up to one and twenty-five hundredths percent (1.25%);
18 if the county income tax council makes a determination to impose rates
19 under this subsection and section 22 of this chapter.

20 (h) For a county having a population of more than thirty-seven
21 thousand (37,000) but less than thirty-seven thousand eight hundred
22 (37,800), the county economic development income tax rate plus the
23 county adjusted gross income tax rate that are in effect on January 1 of
24 a year may not exceed one and thirty-five hundredths percent (1.35%)
25 if the county has imposed the county adjusted gross income tax at a rate
26 of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

27 (i) For a county having a population of more than twelve thousand
28 six hundred (12,600) but less than thirteen thousand (13,000), the
29 county economic development income tax rate plus the county adjusted
30 gross income tax rate that are in effect on January 1 of a year may not
31 exceed one and fifty-five hundredths percent (1.55%).

32 (j) *For a county having a population of more than sixty-eight*
33 *thousand (68,000) but less than seventy-three thousand (73,000), the*
34 *county economic development income tax rate plus the county adjusted*
35 *gross income tax rate that are in effect on January 1 of a year may not*
36 *exceed one and five-tenths percent (1.5%).*

37 *(j) This subsection applies to a county having a population of more*
38 *than twenty-seven thousand (27,000) but less than twenty-seven*

thousand three hundred (27,300). In addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and*
- (2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);*

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(k) This subsection applies to a county having a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand three hundred (27,300). In addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and*
- (2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);*

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). The appropriate body may adopt an ordinance imposing the county economic development income tax that takes effect May 1 of the year the ordinance is adopted. The ordinance must state substantially the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____ %) on the county taxpayers of the county. This tax takes effect May 1 of this year."

SECTION 7. IC 6-3.5-7-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Except as provided in subsection (b), on May 1 of each year, one-half (1/2) of

1 each county's certified distribution for a calendar year shall be
 2 distributed from its account established under section 10 of this chapter
 3 to the county treasurer. The other one-half (1/2) shall be distributed on
 4 November 1 of that calendar year.

5 **(b) This subsection applies to a county that adopts an ordinance**
 6 **under section 5(l) of this chapter. In the calendar year in which the**
 7 **ordinance adopted under section 5(l) of this chapter takes effect,**
 8 **the county's certified distribution for the calendar year shall be**
 9 **distributed from its account established under section 10 of this**
 10 **chapter to the county treasurer as follows:**

11 **(1) One-fourth (1/4) on August 1.**

12 **(2) One-fourth (1/4) on November 1.**

13 **Distributions for the calendar year following the calendar year in**
 14 **which the ordinance adopted under section 5(l) of this chapter**
 15 **takes effect shall be made as provided in subsection (a).**

16 ~~(b)~~ (c) All distributions from an account established under section
 17 10 of this chapter shall be made by warrants issued by the auditor of
 18 state to the treasurer of state ordering the appropriate payments."

19 Renumber all SECTIONS consecutively.

(Reference is to SB 17 as printed January 25, 2002.)

and when so amended that said bill do pass.

Representative Bauer